

**ROCKLEDGE FIRE EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES**

Friday, May 22, 2020

CALL TO ORDER

The Rockledge Fire Employees' Retirement Board held its quarterly meeting on Friday, May 22, 2020. Pursuant to Executive Order 20-69 allowing the use of various media technology, (signed by Florida Governor Ron DeSantis on March 20, 2020) the meeting was conducted as a call-in conference call. Members of the public were able to participate in the conference call meeting.

MEMBERS PRESENT:* Chairman Jeptha Sunday, Fifth Member
Mike McCaleb, Fire Representative
Ed Syfrett, Fire Representative
Thomas "Pat" O'Neill, Resident Member
John Mulkey, Resident Member

CONSULTANTS/STAFF: Kenneth Harrison, Board Attorney - Sugarman & Susskind
Chad Little, Actuary - Freiman Little Actuaries
Tyler Grumbles, Investment Consultant – AndCo Consulting
Karan Rounsavall, Plan Administrator
Brenda Fettrow, City Manager
Matthew Trine, Finance Director

Chairman Sunday called the meeting to order at 9:00 a.m. A quorum was in attendance.
**Confirmed by roll call vote.*

Policy providing for the use of audio/video or telephone conferencing to conduct meetings of the Rockledge Fire Employees' Retirement Board

Attorney Harrison advised that it was appropriate to adopt a policy providing for the use of audio/video or telephone conferencing to conduct meetings of the Fire Retirement Board. As a result of the global coronavirus pandemic (COVID-19), the Florida Governor declared a state of emergency for the entire State of Florida. Executive Order 20-69 suspended the statutory requirement for a physical quorum to be in attendance for a local government body to conduct business and authorized the use of virtual meeting forums. This policy set forth virtual meeting procedures which ensured public participation and transparency. The policy remained in effect for the duration of the state of emergency.

Member Mulkey moved to adopt the policy as presented. Member Syfrett seconded the motion. Roll call was:

Member Syfrett	yes
Member McCaleb	yes
Member O'Neill	yes
Member Mulkey	yes
Chairman Sunday	yes

The motion carried.

APPROVAL OF MINUTES

Quarterly Meeting of February 21, 2020

Member O'Neill corrected the spelling of his name (O'Neill not O'Neil) in the minutes.

Member Syfrett then moved to approve minutes for the February 21, 2020 quarterly meeting as submitted. Member O'Neill seconded the motion and roll call was:

Member McCaleb	yes
Member O'Neill	yes
Member Mulkey	yes
Chairman Sunday	yes
Member Syfrett	yes

The motion carried.

OLD BUSINESS

Status of ordinance to allow cross credit for vesting purposes only between the Rockledge Retirement Plans

The matter of cross credit had been discussed by the retirement boards on numerous occasions in the past. At its February 21, 2020 meeting, the retirement board directed the attorney to prepare an ordinance allowing cross credit between the three retirement plans for vesting purposes only. Board members were in receipt of the final draft ordinance along with the actuarial impact statement.

The proposed ordinance allowed credited service earned by a participant in another plan of the City of Rockledge to be included for the purposes of vesting and benefits eligibility only provided the participant did not receive a refund of employee contributions from the plan from which they transferred. Cross credit of service was not used to compute the amount of benefits payable under the plan to which the participant transferred. The ordinance was prospective.

Member Mulkey moved to approve the cross-credit ordinance as presented and to forward same to city staff for consideration at a future city council meeting. Member Syfrett seconded the motion and roll call was:

Member O'Neill	yes
Member Mulkey	yes
Chairman Sunday	yes
Member Syfrett	yes
Member McCaleb	yes

The motion carried.

NEW BUSINESS - None

REPORTS & COMMUNICATIONS

Report: Investment Consultant (Tyler Grumbles, AndCo Consulting)

Investment Performance Report for quarter ended March 31, 2020

Mr. Grumbles presented the performance report and economic commentary for the quarter ended March 31, 2020. It was a financial quarter of unprecedented volatility due to the global coronavirus pandemic. Global economic growth turned negative as countries responded to

the pandemic by “shuttering” their economies Domestic as well as international equities declined significantly. In fact, the S&P 500 index was down -19.6 percent with the broader market (Russell 3000) down more than 20 percent. There was a “flight to quality” with fixed income assets. High quality fixed income assets posted positive returns with U.S. government bonds being the best performing asset class for the quarter. The energy sector took the greatest hit due to an extreme dip in oil prices.

Total market value as of March 31, 2020 was \$10,851,848 down from \$12,859,142 for the previous quarter ended December 31, 2019. On a percentage basis, the composite portfolio was down -13.88 percent for the quarter (net) which ranked in the 53rd percentile of public plans. Fiscal year to date, the fund was down -8.56 percent (ranking in the 39th percentile of public plans). Trailing three and five-year returns were positive. Since the end of the quarter, markets had rebounded quite nicely. Portfolio value as of May 21, 2020 was \$11,776,705. Despite all the volatility, asset classes within the portfolio were currently within their respective target ranges.

Quarterly performance results (i.e. quarter ending March 31, 2020) for the various investment styles/managers represented in the portfolio were as follows:

- Vanguard Total Stock Market Index (domestic equities)* – negative return of -20.86% (38)*
 - EuroPacific Growth (international)* – negative return of -22.43% (38)*
 - Garcia Hamilton & Associates (domestic fixed income)* – positive return of 0.20% (76)*
 - PIMCO Diversified Income (global fixed income)* – negative return of -7.53% (83)*
 - ASB Allegiance Real Estate (commingled real estate)* – positive return of 1.74% (11)*
- (*Percentile rankings)

Mr. Grumbles did not recommend any changes to the portfolio as a result of the volatility and encouraged the board to stick to its long-term plan. It was not possible to time the market. However, he did feel that the board should suspend further reductions to the investment return assumption for the fiscal year.

Member McCaleb moved to accept the performance report as presented. Member O’Neill seconded the motion and roll call was:

Member Mulkey	yes
Chairman Sunday	yes
Member Syfrett	yes
Member McCaleb	yes
Member O’Neill	yes

The motion carried.

Report: Actuarial Consultant (Chad Little, Freiman Little Actuaries, LLC)

Mr. Little mentioned that there was some momentum in the state to allow flexibility in funding rules, specifically smoothing of investment returns and amortizing over longer periods. He would continue to monitor these discussions and report at the next meeting.

He also advised that revisions to the Summary Plan Description (SPD) were complete and currently in legal review. They would be presented to the board at its next meeting.

Report: Board Attorney (Kenneth Harrison, Sugarman & Susskind)

Mr. Harrison advised that the Governor’s latest executive order allowed public boards to continue with virtual meetings into the foreseeable future given the COVID-19 pandemic.

Report: Plan Administrator (Karan Rounsavall)

Plan Administrator Rounsavall reminded trustees that annual financial disclosure forms were due to the Brevard County Supervisor of Elections no later than July 1, 2020.

She went on to advise that Florida Public Pension Trustees Association (FPPTA) recently launched a virtual learning series. There was no cost to participate, however, registration was required. Attorney Harrison reported that these were high quality presentations and focused on the current situation. Trustees could earn credit to maintain their Certified Public Pension Trustee (CPPT) designations by watching the presentations.

The next quarterly meeting was scheduled for August 21, 2020.

PUBLIC COMMENT – None

Member McCaleb inquired into the status of an actuarial study for the retirement multiplier. It had been discussed at a previous meeting but there was never any follow-up. Mr. Little would investigate.

ADJOURN

Member Mulkey moved to adjourn. Member McCaleb seconded the motion which passed unanimously on a roll call vote.

The meeting adjourned at 9:47 a.m.

Submitted by:

Approved by:

Karan Rounsavall, Plan Administrator

Jeptha Sunday, Chairman